



The Real Estate Roundtable

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**ON BEHALF OF  
THE REAL ESTATE ROUNDTABLE  
REAL ESTATE BOARD OF NEW YORK AND  
THE BUILDING OWNERS AND MANAGERS ASSOCIATION, INTERNATIONAL**

**BEFORE THE  
SUBCOMMITTEE ON ECONOMIC SECURITY, INFRASTRUCTURE PROTECTION,  
AND CYBERSECURITY  
OF THE COMMITTEE ON HOMELAND SECURITY  
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON  
“THE LONDON ATTACKS: PROTECTING CIVILIAN TARGETS  
FROM TERRORIST ATTACKS”**

**SEPTEMBER 7, 2005**

## ***Introduction***

Chairman Lungren, Ranking Member Sanchez, and Members of the Committee, my name is Michael Norton. I am responsible for managing and directing all global property management activities at Tishman Speyer. Tishman Speyer ([www.tishmanspeyer.com](http://www.tishmanspeyer.com)) is one of the leading owners, developers, fund managers and operators of first class real estate in the world, with a property portfolio totaling more than 74 million square feet in major metropolitan areas across the United States, Europe and Latin America. Let me note at the outset that I am not aware of any Congressional hearing where owners of landmark buildings have been given the opportunity to share their homeland security experience in the post 9/11 era. Thank you then for providing this unique forum.

I am testifying today on behalf of the Real Estate Roundtable<sup>1</sup> ([www.rer.org](http://www.rer.org)) where our company's Chief Executive Officer, Jerry Speyer, is a member of the Board of Directors. I am also testifying on behalf of the Real Estate Board of New York<sup>2</sup> ([www.rebny.org](http://www.rebny.org)) and the Building Owners Managers Association (BOMA) International<sup>3</sup> ([www.boma.org](http://www.boma.org)) two organizations where I personally sit on senior governing boards and councils. In addition to my work with these organizations, I am active on a number of other civic and charitable organizations and was recently promoted to the rank of Lieutenant Colonel in the U.S. Marine Corps Reserves.

### ***I. Managing the Risk of Further Terrorist Attacks on Commercial Office Buildings***

#### ***A. Our Company's Stake and Commitment***

The unique nature of our portfolio of assets – both existing buildings and projects under development — ensures that sophisticated risk management, including managing the risk of further terrorist attacks, is a core business priority. We own and manage some of the highest profile office buildings in the world, including Rockefeller Center, the MetLife Building and the Chrysler Center in New York City. Rockefeller Center, for example, is the number one tourist destination in New York City with all the pedestrian traffic that comes with that status. The Chrysler Center is a worldwide icon that, together with the Empire State Building, defines the

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<sup>1</sup> The Real Estate Roundtable is the organization that brings together leaders of the nation's top public and privately-held real estate ownership, development, lending and management firms with the leaders of major national real estate trade associations to jointly address key national policy issues relating to real estate and the overall economy. The Roundtable provides day-to-day operational staffing of the Real Estate Information Sharing and Analysis Center.

<sup>2</sup> As the oldest and most influential real estate trade association in New York City, The Real Estate Board of New York represents major commercial and residential property owners and builders, brokers and managers, banks, financial service companies, utilities, attorneys, architects, contractors and other individuals and institutions professionally interested in the city's real estate.

<sup>3</sup> Founded in 1907, the Building Owners and Managers Association (BOMA) International is a dynamic international federation of over 100 local associations. The 19,000-plus members of BOMA International own or manage over 9 billion square feet of downtown and suburban commercial properties and facilities in North America and abroad. BOMA's mission is to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information.

New York skyline. All these buildings — and many others in our portfolio — sit atop mass transit and, in the case of the MetLife Building, Grand Central Station itself. Current projects now under development by Tishman Speyer include the new baseball stadium for the New York Yankees, a major new building for Citigroup in Long Island City, and the new headquarters buildings for Goldman Sachs and the Hearst Corporation in New York City.

In the end, our guiding principle as a company in managing the risk of terrorism is to meet or exceed the expectations of our customers — our tenants. Many of these tenants are Fortune 500 companies or other high-visibility institutions with strong commitments to managing terrorism-related risks. We are also deeply influenced by the expectations or demands of our lenders, investors, insurers, legal advisors and local, state and federal government.

#### B. Our Industry's Commitment

Managing the risk of terrorism in the post 9/11 environment, and I am speaking for the industry as a whole at this point, has galvanized our individual and common resources to an unprecedented degree. By our industry's standard benchmarking reference — BOMA's 2005 Experience Exchange Report<sup>4</sup> — we are spending, as an industry, over 20% more on security than we were pre 9/11. And yet, I hesitate to mention that statistic because in the end managing risk is not principally about allocating *additional* resources, it is about strategically using *existing* resources to cost-effectively mitigate risks. Information and experience are two assets that are hard to put a dollar value on and yet they may be the most critical resources we have. Post 9/11, there has been an unprecedented degree of information sharing within our industry and with local, state and federal counter-terrorism and emergency response authorities. This sharing of information — including best practices — is being advanced in New York City through the sophisticated local networks facilitated by the Real Estate Board of New York as well as national networks supported by the Real Estate Information Sharing and Analysis Center or ISAC ([www.reisac.org](http://www.reisac.org)), and the various committees and task forces of BOMA and the Real Estate Roundtable. We are also allocating substantial resources as an industry to support the work of Rand Corporation's new Center for Terrorism Risk Management Policy. (<http://www.rand.org/multi/ctrmp>)

#### C. The Nature, Including the Limits, of Our Industry's Role

Upon reflection, it is evident that the terrorist attacks in New York City on 9/11 were, among other things, attacks on major US commercial buildings and their tenants/occupants. In the aftermath of these events, no one has implied that the collapse of the two towers was as a *direct* result of the failure of the commercial real estate industry. In fact, just five years after the 1993 Trade Center bombing, the twin towers became internationally renowned for having the *best* security measures of any commercial real estate property in the world. After 1993, the World Trade Center had to provide the utmost security, without making that office, retail and

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<sup>4</sup> The Experience Exchange Report is an annual income and expense benchmarking report for the commercial real estate industry performed by the Building Owners and Managers Association International for more information see [www.boma.org](http://www.boma.org). The report is based on the weighted average responses of 3,210 buildings, representing approximately 700 million square feet of space.

hotel complex the equivalent of a closed military compound. In fact, as we all know, even a closed military complex — the Pentagon itself — was also unable to deter airborne attacks on 9/11.

As a result of the attacks of 9/11, the subsequent anthrax scares (including one at NBC studios, located in Rockefeller Center), last year's Citigroup Building incident, and the recent London bombings, the commercial high-rise building industry, through no failure of its own, has been severely affected, challenged, and thrust into the heart of the terror threat issue. We always look for ways to better manage the risk of further threats and attacks. But, at the same time, we remain very dependent on the ability of government (including mass transit authorities) to help limit the ability of terrorists to reach our facilities in the first place.

#### D. The Reality of Target-Substitution

As Frank Cilluffo, the former special Assistant to the President for Homeland Security and the current Director of the Homeland Security Policy Institute at The George Washington University, testified before this subcommittee on June 15, 2005,

We do not face an adversary that we can defeat in a conventional war on a traditional battlefield by going plane for plane or tank for tank, but one that will take the path of least resistance by constantly searching for our greatest vulnerabilities.

Mr. Cilluffo's assessment, as well as that of many experts with Rand's Center for Terrorism Risk Management Policy, confirm the harsh reality of "target substitution." Specifically, as traditional critical infrastructure, including government facilities, are further hardened, the attractiveness and vulnerability of our nation's so called civilian "soft targets" is *increasing*. To mitigate this disturbing reality, it is crucial that we move to *simultaneously* address the threats against both hard and softer targets.

#### E. Pre-condition for all Security Measures: Sound Risk Assessment

Before detailing specific risk mitigation measures, it is important to stress the central role that building-specific risk assessments play in any rational allocation of resources. We are fully accountable for how we use our limited "resources". Our customers, lenders and investors are looking for us to be as efficient as possible. Spending more of their money, while sometimes appropriate, is not the way that we or our constituencies measure progress. Limited resources need to be applied first to those measures that have the greatest potential for limiting loss of human life and property damage.

Risk is assessed both from the standpoints of threats and vulnerabilities. In addressing the vulnerability-part of the equation, we have benefited (as I know other major real estate companies have been) by visits from DHS officials that have reviewed with us our own assessments of our properties' vulnerabilities. These teams toured a number of our buildings and spent a day at each property, speaking with the staff and assessing what security measures were in place and what additional measures we might consider now or in the event of specific threats.

We understood the overall aim of this exercise for DHS was to assess privately owned commercial office buildings across the country in an effort to establish the current state of security at these high profile locations and to identify what “best practices” can be established and shared among our business community. The DHS visits were informative exchanges of private and public sector perspectives and helped establish improved working relationships between our organizations. In New York, the NYPD provides a similar service.

## ***II. Commercial Real Estate Industry Lessons Learned and Best Practices for Managing Terrorism Risk for Higher-Risk Buildings***

The specific “lessons learned” and examples of best practices I would like to share now with the subcommittee fall into six basic categories: communication, emergency response (including emergency area access), training programs, “hardening” techniques, information sharing, and coordination initiatives.

### **A. Communication & Information Sharing**

One of the greatest lessons that the real estate community learned from 9/11 was the need for more robust communication channels between the private and public sectors. These channels — both formal and informal — should enable real estate operators to instantaneously receive information and act more effectively based on that that information. The channels should convey valid information, as well as dispel rumors.

*Locally:* The need for robust local communications is perhaps the single greatest lesson learned since 9/11. One excellent system — that I believe has become a model for other cities — is the New York Police Department’s communications channel to the private business sector known as the Area Police-Private Leadership Security Liaison or “APPL.”<sup>5</sup> Information about events taking place throughout the city is now continuously provided via APPL emails. The recipients of these emails are notified normally in real time of events such as a manhole explosion on Fifth Avenue, a suspicious package in a Times Square train station, or an unauthorized helicopter flight over the Empire State Building. This information flow allows real estate operators to ratchet up or down elements of their emergency response plans, if necessary. Equally important is the fact that we can forward this kind of information to our tenants, and thus relieve frazzled nerves by reassuring them that we are “in the loop.”

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<sup>5</sup> A number of other cities have strong systems in place or under development. In Chicago’s Central Business District the Chicago Police Department has established the Security Broadcast Email System to communicate with private sector security directors. Within the same district they have established the Early Alert Radio Network (EARN) program. EARN is a system by which high-rise buildings that purchase a radio receiver can obtain information from the Chicago Police Department. In the District of Columbia, “D.C. Alert” uses the Roam Security Alert Network (<https://textalert.ema.dc.gov/index.php?CCheck=1>) to provide immediate text notification and update information during a major crisis or emergency. This system delivers important emergency alerts, notifications and updates to a number of devices, including cellular telephones, e-mail accounts, Blackberry © devices, and pagers.

After this communication channel was established with the NYPD, Tishman Speyer subscribed to an international communication service that enables us to send messages to employees and tenant contacts worldwide via email, text messages, and voice messages. Here is a real-world example of how this information flow helps our company operate more effectively:

Last month a suspicious package was discovered against a building located on 54<sup>th</sup> Street and Madison Avenue, which is directly across from one of our properties. The police had arrived and closed off all pedestrian and vehicular traffic. APPL sent out a message that informed us what was occurring and later notified us that the package was found to be a regular briefcase with no explosive devices. We were then able to use our own in house multi-medium communication channels to simultaneously inform every one of our tenants.

*Nationally:* The real estate industry — including major office, hotel, shopping center and multi-housing owners and operators — has requested and received permission from federal counter-terrorism officials to create our own Real Estate Information Sharing and Analysis Center (ISAC). The ISAC is a 24/7, two-way information channel between the real estate industry and DHS that facilitates information sharing on terrorist threats, warnings, incidents, vulnerabilities and response planning to a network of over 120,000 real estate owners and operators. For many years prior to 9/11, traditional critical infrastructure industries (e.g., the financial services, electric power, oil and gas, water, telecommunications, information technology, chemical and food industries) all operated similar ISACs. We are grateful to the White House and DHS officials that were willing to think “outside the box” by supporting the creation of an ISAC for our industry.

#### B. Emergency Area Access Procedures

Another lesson learned was the need for essential authorized building personnel to have access to their properties as soon as possible following an event. Immediately following the September 11 attacks on the World Trade Center the police cordoned off a very large area in downtown Manhattan. However, in the future, property managers and building engineers, who can identify themselves as such, will be granted access to these types of restricted areas in order to address vital building issues (e.g., shutting down running machinery and turning off water lines). This will allow us to prevent any additional damage and further economic loss. The cities of Boston, New York, and Chicago have all instituted programs that allow private property owners to register critical personnel with the city for that purpose.

#### C. Training Programs

Another lesson learned is the importance of expanding training programs that incorporate the lessons learned from 9/11 so that they can better prepare security officers and building management officials that work in high-rise office buildings. Training should address not only evacuation procedures, but also consider the difficult issue of how and when to “shelter-in-place” if an actual or suspected bio-chemical event occurs.

The American Society of Industrial Security, International (ASIS, International) has established the Private Security Officer Selection and Training Guideline. This guideline sets forth minimum criteria for the selection and training of private security officers, which may also

be used to provide regulating bodies with consistent minimum qualifications. In addition, ASIS's Physical Security Measures Guideline is currently under development. This guideline will assist in the selection of appropriate physical security measures, including defining risk levels, implementing an integrated set of physical security measures, and devising policies and procedures related to security incidents, access control, monitoring systems, lighting, security personnel, and audits and inspections. When completed, this will be an extremely helpful tool to ensure that we members of the private sector are providing improved training to our security officers and other relevant officials.

Training should be provided not only to security officers but also to other building personnel, including property managers, engineers, fire safety directors and cleaners. It is important to remember that, for all these groups, emergency action plans should be considered crucial elements of their respective training programs. Exercises that test these action plans are fundamental to the learning process. The training, should, of course, include how to address biological and chemical attacks, explosive devices, suicide bombers, and other recognized terror techniques.

#### D. Target Hardening Techniques

As discussed above, it has become common practice, as part of sound risk assessments, to perform vulnerability risk assessments on all major properties. Buildings that receive high threat vulnerability ratings may be appropriate for target hardening especially against explosive devices (vehicular or pedestrian borne). Target hardening focuses particularly on building lobbies, and since 9/11 many large commercial office buildings in New York have installed turnstiles and card access readers. In addition to the lobbies, the façades, loading docks, and underground parking lots of many commercial office buildings have been target hardened. After 9/11, Tishman Speyer target hardened various elements of all of its then existing properties. We are also developers and as such we now incorporate target hardening from the very beginning of the design and construction process.

#### E. Research

As stated above, post 9/11, the commercial real estate industry has supported sophisticated research on how best to protect our homeland. Most notably, we have helped launch the new RAND Center for Terrorism Risk Management Policy (CTRMP) and provided high-level technical consulting to that organization. While the Center has several missions, one of its principal goals is to help security decision-making in an age of catastrophic terrorism. Its mission is to help not only the private sector but also the public sector assess the consequences of individual and collective decisions about allocating terrorism security resources and help these institutions make decisions about the risks they face and the security portfolios appropriate to mitigating those risks.

In addition to analytic research, the CTRMP has provided invaluable learning tools for interactive strategic exercises. Most recently, CTRMP further developed a RAND simulation involving the mock detonation of a nuclear device smuggled into the United States aboard a container ship in a major California port city. The exercise, which was developed for various

business sector audiences and senior Congressional staffers, showed just what the human and financial losses would be if this were actually to occur and what impact it would have on other parts of the United States and the rest of the world.

F. Coordination with Government Authorities on Building Ownership and Management Data

The commercial real estate industry stepped up to face another challenge last summer when the national threat advisory system was elevated for the financial sector. As you know, intelligence was uncovered showing al-Qaeda was doing extensive pre-attack surveillance on prominent properties housing several major financial institutions. The Citicorp Building in New York City was one of those properties. Notably, the first DHS officials “on the ground” in New York — including the then Secretary of DHS — were initially unaware that Citicorp neither owned nor managed the physical security of that facility. Indeed, across the country, it is not uncommon for counter-terrorism officials to assume that the companies whose names are associated with landmark buildings actually own or manage those buildings.

To assist DHS and others identify quickly those actually responsible for the management of a given building’s physical security, the Real Estate Board of New York has made available its database of New York City commercial building owners and managers as a reference. This database is regularly updated as purchases and sales take place within the New York City office market. It includes landline telephone, cellular telephone, beeper, and email contact information sorted by building name and address. This could prove to be a valuable resource for DHS, especially when notifications are required in an “actionable” timeframe. REBNY has also provided this database to the New York City Office of Emergency Management (OEM) and to the New York City Department of Buildings (DOB). We encourage other cities to make use of similar data bases of office buildings by working with local BOMA organizations.

G. Building Industry Awareness Through Media Campaigns and Exercises

Post 9/11 it has become increasingly clear that without continuous citizen awareness campaigns, public interest and concern about terrorism can drop dramatically. This is particularly true in cities that have never had a major terrorist incident. Therefore, the Real Estate ISAC in January of 2005 commenced a six-month public service advertising campaign to encourage building owners and managers to address homeland security issues. Through their “Fighting Terrorism” advertising campaign in *Real Estate Forum* and 10 trade journals, the ISAC, its trade member groups and its media partner, Real Estate Media Inc., have reached over 120,000 real estate professionals with their important message about the need for a well-prepared real estate industry sector.

To the same end, in April, 2005, the Real Estate ISAC further advanced its mission of encouraging greater industry awareness and readiness by facilitating the participation of over 60 real estate firms in the national terrorism simulation exercise known as “TOP-OFF 3”. This biennial exercise, involving some 10,000 federal and state officials and representatives of Great Britain and Canada, sought to strengthen the nation’s capacity to prevent, prepare for, respond to, and recover from large-scale terrorist attacks involving weapons of mass destruction. It was the



first of these exercises in which the private sector, including the commercial real estate sector, was allowed to participate on an equal footing with our public sector partners. Those who participated from our industry leveraged this multi-million dollar federal exercise to assess their own current emergency plans. Following the exercise, industry participants reported making changes to those aspects of their plans that were found to be insufficient. Going forward, I cannot stress enough the importance to our industry of opportunities to participate in joint exercises with local, state and federal officials.

#### H. Specific Security Measures and Best Practices for Major Buildings

In our company's experience, effective building security is a combination of design features (e.g., physical barriers and electronic systems), personnel and staffing strategies (personnel and procedural) that are integrated into a well-defined program. As indicated above, determining the degree to which each of these components should be utilized depends on several risk factors. These factors include whether the building is a symbol or has some other national status, the specific environment at or around the building (e.g., is it a tourist attraction? Are there high-risk tenants or other specific risk factors?), and the structural design of the building (e.g., is there interior parking). I would like to take a few moments to tell you about some of the security measures that have been implemented in our industry. I will use some examples of security measures that Tishman Speyer has employed at its properties, but most of these are recognized as best practices by other major owners in our industry.

- *Satellite Telephones:* Many real estate owners and operators have satellite telephones in each region where they have properties. In the event of an emergency, when all landline and cellular connections are busy, these portable satellite telephones will continue to operate. As events unfold in a region, security directors and senior managers can remain in contact with personnel on location in order to assess the situation and issue instructions. The satellite telephones also ensure that the building staff will be able to communicate with the emergency services at all times during an incident. Furthermore, key personnel, including senior management, should carry emergency contact information with them at all times.
- *Emergency Procedure Guidebooks:* Buildings are often equipped with Emergency Procedure Guidebooks. These standardized manuals provide staff members with check lists of their respective responsibilities in the case of a property emergency. This ensures that, even under difficult circumstances, building personnel will know the procedures necessary to facilitate the safe evacuation of their properties.
- *Company or Building Specific-Color Coded Alert Systems:* Many real estate companies have instigated their own internal color code or security level alert systems. For example, under our procedures, the color green represents the current "Standard Operating Procedures", the color yellow indicates "Heightened Alert Operations" and the color red signifies "Emergency Event Operations." This system requires us to constantly and consistently assess the security risk in any region at any time.

- *Emergency Response Training Videos:* Tishman Speyer has developed a two hour training video for property staff to learn about biological and chemical agents, including their effects on the human body, how they can be transmitted, and what initial actions should be taken while waiting for emergency services to arrive. The objective of this training program is to help ensure that the property staff can better identify the potential release, dissemination, or detonation of these deadly agents in the event of an attack. This training segment also addresses what actions may be appropriate to take once an attack has occurred, including evacuations or sheltering in place, shutting off of fresh air intakes, and receiving of updates from the local authorities.
- *Terrorism Awareness Training:* Security officers also receive training in terrorism awareness and response. The elements of common terror attack modes are discussed with a focus on the opportunities a security professional may have to intervene. The officer is encouraged to concentrate on a person's behavior, as opposed to a person's physical characteristics. For the purpose of this training, the "Stages of a Terrorist Event" are defined as "Target Selection; Surveillance of the Target; Planning of the Operation; Rehearsals and Dry-runs; Escaping from the Target; and the Exploitation of the Act." Finally, substantial time is committed to discussing conventional explosive devices and improvised explosive devices, as well as the correct way to handle a report of a "suspicious package" or telephone or written bomb threat. This kind of in-house training may be supplemented by DHS's own "soft target" terrorism awareness training programs.
- *Rapid Shut Down of Air-Intakes:* Some high profile buildings have implemented controls that enable building personnel to quickly and easily shut off the fresh air intakes in the case of an emergency. Automatic shut-off switches have been installed at appropriate locations and can easily be activated if we receive timely information from the relevant authorities. A critical aspect to successfully addressing a potential biological or chemical agent attack/event at or in the vicinity of a building is having adequate early warning/communication channels with the appropriate local government.
- *In-Depth Property-Specific Threat Vulnerability Assessment:* In our high profile properties property specific threat vulnerability assessments were performed by nationally recognized security consultants, and these consultants provided recommendations on how to improve security in certain areas. Action plans to implement these recommendations, together with the corresponding budgets, are formulated by each individual building's property manager in light of property specific factors including tenant demand.
- *"Closed Buildings":* Many properties that are viewed as potential targets have been transformed from open access buildings into "closed" buildings. Building lobbies were historically vulnerable areas for unauthorized access into a facility. Without lobby access control, anyone can enter an elevator and reach any floor desired. Prior to September 11, 2001, most properties only enacted access control systems after normal business hours (6PM – 7AM, Monday – Friday and weekends). Since 9/11, turnstiles and visitor pre-

registration systems have been installed in certain buildings to provide management with detailed knowledge of when people are entering the property. In order to pass through the turnstiles, tenants must have valid building-issued identification cards including personal photographic images.

- *Visitor Processing Centers and Courier Centers:* Post 9/11, some buildings have set up visitor processing centers and courier centers. The visitor centers authorize access to the elevators only after they have received approval from relevant tenant hosts. The security officers then scan the visitors' proof of identification and issue temporary access badges, in some cases with photographs of the visitors on them. At the courier centers, security officers use X-ray machines to scan all packages. In some cases, couriers are not granted access to the buildings and instead building employees deliver packages to the appropriate offices.

#### H. Response to the London Mass Transit Bombings

The London bombings occurred exactly two months ago to the day, on July 7, 2005. As such, it is still too early to identify exactly what new lessons we learned and what new security measures will be instituted as a result of this tragedy.

We have long had an excellent working relationship with the Metropolitan Transit Authority (MTA) and are working with the REBNY and the Real Estate Roundtable to build a stronger industry-wide partnership with mass transit authorities throughout the nation. We are, of course, also watching closely as the MTA looks at the benefits of increased use of CCTV. This is one example of how this nation appears to be embracing technological advances to increase the safety of our civilian infrastructure. This is particularly relevant to us as we need to provide tenants with secure buildings but also we are directly affected by our tenants' confidence in the public transportation that delivers them to our properties on a daily basis. Furthermore, as I mentioned at the outset, many of our properties are built directly above subway networks and we are only as secure as our weakest link. Again our dependence on sound government security initiatives is extraordinary.

### III. *Continuing Challenges & Policy Recommendations*

My testimony has stressed specific "on the ground" lessons learned and best practices with the hopes that this may spur dialogue within our industry and elsewhere on how best to encourage improved homeland security. I recognize the extraordinary challenges that local, state and federal government authorities face in helping to advance the state of the art in terms of homeland security. At the same time, as an industry, we do have some policy suggestions for you to consider as you oversee the work of DHS.

#### A. Priorities

*Emergency Response:* In terms of allocating scarce federal resources, when it comes to improving public-private homeland security partnerships, we agree with the emphasis the 9/11 Commission has placed on the need for emergency response and business continuity planning.

In that regard, we believe that partnerships *at the local level* with emergency response agencies should be a top priority. DHS can and should continue to support — financially where appropriate — outreach efforts at the local level to bring the business community more fully into partnerships with local emergency response officials. The decision to spend very limited federal funds should be made with a very realistic understanding of the different level of threat and vulnerability presented by different geographic locations.

Also with respect to emergency response planning, we are well aware of the spotlight the 9/11 Commission, and later federal legislation, placed on the general goals and principles set out in the National Fire Protection Association Standard on Disaster/Emergency Management and Business Continuity Programs (NFPA 1600). As an industry we have a range of sound references to help us begin to apply those very general goals and principles to specific buildings and situations. As you may know, that Standard was not developed with individual building issues in mind.

It will be important to retain the flexibility to make asset specific decisions, based on asset specific risk assessments. At the same time, we recognize the need to encourage greater consistency of performance across all business sectors and within our sector. The government does have a role in helping to create a shared language and set of performance oriented metrics in this area. We look forward to working with DHS and others to help improve the private sector's emergency readiness. A solid simulation and exercise program at the local level — supported where necessary by federal resources — is an important step in this direction. We also suggest that DHS continue to work closely with the insurance industry to ensure their policies offer proper incentives for positive performance in the area of emergency response planning.

#### B. Actionable Intelligence

With respect to the issue of intelligence sharing with the private sector, I want to stress that we are not asking for uncensored access to all intelligence reports. What we are looking for is access to any information made available to local counter-terrorism officials that bears directly on the operation of our buildings. Where the threat is so vague and general that no “actions” are being recommended, that fact also needs to be made clear. As indicated above, we have a growing number of strong partnerships at the local level where intelligence is shared effectively with our industry. I am not sure there is any organization in the country that does a better job of that than the NYPD. By working closely over time, we have begun to have a mutual understanding of our respective roles. We know our buildings' individual vulnerabilities; government has more of a beat on the changing threat environment. We both need each other to succeed. This is the proper model for our partnership at the federal level as well.

#### C. Public Awareness

Often, conflicting tenant expectations and awareness are challenges that we face as an industry. The tenants want to be comfortable that we are doing everything possible to ensure their safety but at the same time they do not want to work in a military fortress. We note that striking the right balance in this regard is also an issue that the public transportation authorities

are forced to deal with today. The DHS needs to support the efforts at the local level to build public and business awareness of the importance of proper planning and training in this area. Only when our tenants have fully “bought-in” to the importance of this issue do they support our efforts to take rational security measures. In many parts of the country, tenants do not believe this issue is a major risk factor and are therefore unwilling to pay for some or all of the specific measures, I’ve detailed above. In my view, government has an obligation to help educate the public in a reasonable and realistic way about the threats we face in the post 9/11 environment. Frankly, unless or until there are more attacks, that educational process will be very challenging. Hearings like this and recent public comments by Secretary Chertoff suggest top government officials are committed to this goal.

### ***Conclusion***

These priorities must continue to be addressed aggressively by DHS and other government authorities. Only then can we feel confident that, if other major acts of terrorism were to occur, we could return to your committee and say we did everything reasonably within our power to save human lives. That, in the end, is what this is all about.

Thank you and I am happy to take questions.